

SERFF Tracking Number: PNMC-125790812 State: Arkansas
 Filing Company: Pennsylvania National Mutual Casualty Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: KAY-08-059
 TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners Liability
 Product Name: BOP - Class Table Addns and Exception Page Revs
 Project Name/Number: Class Table Additions and Exception Page Revisions 101508/KAY-08-059

Filing at a Glance

Company: Pennsylvania National Mutual Casualty Insurance Company
 Product Name: BOP - Class Table Addns and Exception Page Revs SERFF Tr Num: PNMC-125790812 State: Arkansas
 TOI: 05.0 Commercial Multi-Peril - Liability & Non-Liability SERFF Status: Closed State Tr Num: EFT \$100
 Sub-TOI: 05.0002 Businessowners Co Tr Num: KAY-08-059 State Status: Fees verified and received
 Filing Type: Rate/Rule Co Status: Reviewer(s): Betty Montesi, Llyweyia Rawlins
 Author: Karen Young Disposition Date: 09/18/2008
 Date Submitted: 09/17/2008 Disposition Status: Exempt from Review
 Effective Date Requested (New): 10/15/2008 Effective Date (New): 10/15/2008
 Effective Date Requested (Renewal): 10/15/2008 Effective Date (Renewal): 10/15/2008
 State Filing Description:

General Information

Project Name: Class Table Additions and Exception Page Revisions 101508 Status of Filing in Domicile: Pending
 Project Number: KAY-08-059 Domicile Status Comments:
 Reference Organization: N/A Reference Number: N/A
 Reference Title: N/A Advisory Org. Circular: N/A
 Filing Status Changed: 09/18/2008
 State Status Changed: 09/18/2008 Deemer Date:
 Corresponding Filing Tracking Number:
 Filing Description:

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Businessowners

- Additional Classes added to the Class Table
- Countrywide Exception Pages Revised

PNI File No: KAY-08-059

Ladies and Gentlemen:

PURPOSE:

We are filing for your review and approval a revision of our proprietary Class Table to add eleven new classes. These new classes are being added:

PNI Class Description/ PNI Class Code/ PNI Risk Type/ PNI Rate Number/ PNI Rate Group

Bottled Water Distributors/54446d/Wholesale/ 6/ 1

Bottled Water Stores/ 54446c/ Retail/Mercantile/ 6/ 1

Clothing or Wearing Apparel Stores – Sports Teams/ 56319c/ Retail/Mercantile/ 3/ 5

Clothing or Wearing Apparel Stores – Ties/ 56113a/ Retail/Mercantile/ 3/ 6

Clothing or Wearing Apparel Stores – T Shirts/ 56319d/ Retail/Mercantile/ 3/ 5

Clothing or Wearing Apparel Stores – Uniforms/ 56319e/ Retail/Mercantile/ 3/ 5

Condominiums – Mercantile – Association Risk Only/ 00859/ Retail/Mercantile/ 3/ 3

Golf Equipment Distributors/ 00869/ Wholesale/ 5/ 9

Party Supply Stores/ 59435c/ Retail/Mercantile/ 2/ 4

Sunglass Boutiques/ 00861/ Retail/Mercantile/ 4/ 2

Tennis Equipment Distributors/ 00867/ Wholesale/ 5/ 9

We are also filing changes to our proprietary Businessowners Exception Pages. The Changes are:

Page 4 – Under T. Tobacco Exclusion, we added Bottled Water Distributors 54446d and Bottled Water Stores 54446c to the table.

SERFF Tracking Number: PPMC-125790812 *State:* Arkansas
Filing Company: Pennsylvania National Mutual Casualty *State Tracking Number:* EFT \$100
Insurance Company
Company Tracking Number: KAY-08-059
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Page 7 – Under Rule A.2. Mercantile, We re-lettered WHOLESALE as c. in lieu of b. We added b. MERCANTILE CONDOMINIUM – ASSOCIATION RISK ONLY.

Pages 10 & 11 – We amended paragraph C.5.c. to include verbiage: For Condominium Mercantile – Association Risk Only, use Rate Numbers 1-13 (Lessor).

Page 11 – We added -

Paragraph C.6.a.(2) is replaced by the following:

5. Premium Determination

(2) Apartments and Apartment Condominium Associations

The Building state company rates/ISO loss costs are used for both the Building and Business Personal Property Coverages

Page 20 –Under - W. Condominium Association Directors and Officers Liability, we added the word mercantile to:

3. Premium Determination

Determine the appropriate loss cost from Table 23.W.3. for mercantile, office and residential condominiums based on the liability limit of the policy and number of condominium units.

Page 20 – We added Mercantile Loss Costs to Table 23.W.3.

EDITORIAL CHANGES

Page 24 – Under II. Employment-Related Practices Liability Endorsement 71 1325 – Replaced the word injury with wrongful act in Paragraph 1.(c)

Page 26 – Under 3. Limits of Insurance – Replaced the word and with or between \$500,000 or \$1,000,000

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Page 26 – Added: in 2. Above to the end of the sentence under JJ. 5. 1.

Page 27 – Capitalized Supplemental Extended Reporting Period Limit of Insurance in 2nd paragraph.

Page 27 - Under 7.b.(1) deleted: in Rule 23.JJ.2. Full Time equivalent Employees, and replaced with in 2. Above at the end of the sentence.

Lastly, we are filing a proprietary Arkansas Exception page, PN-AR-BP-E-1, 1st Ed. Rev 10/08.

These changes will be applicable to all new business and renewal policies effective October 15, 2008.

PROPOSAL:

Your prompt and favorable approval is appreciated.

OBSOLETE PAGES:

PN-AR-BP-CT-1 through CT-8, 1st Ed 10/06

PN-CW-BP-E-1 through E-23, 6th Ed 05/07

Company and Contact

Filing Contact Information

Karen Young, Senior Commercial Lines Technician
2 N. Second St.
Harrisburg, PA 17105-2361
kyoung@pnat.com
(717) 234-4941 [Phone]
(717) 255-6327[FAX]

Filing Company Information

Pennsylvania National Mutual Casualty Insurance Company
2 N. Second St.
CoCode: 14990
Group Code: 271
State of Domicile: Pennsylvania
Company Type: P&C

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PO Box 2361
Harrisburg, PA 17105-2361
(717) 234-4941 ext. [Phone]

Group Name: Penn National Insurance
FEIN Number: 23-0961349

State ID Number: 03

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Filing Fees

Fee Required? Yes
Fee Amount: \$0.00
Retaliatory? No
Fee Explanation: \$100. per rate/rule filing = \$100.
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Pennsylvania National Mutual Casualty Insurance Company	\$100.00	09/17/2008	22554675

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Exempt from Review	Llyweyia Rawlins	09/18/2008	09/18/2008

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Countrywide Exception Pages and General Information - Filing Letter	Note To Reviewer	Karen Young	09/17/2008	09/17/2008

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Disposition

Disposition Date: 09/18/2008

Effective Date (New): 10/15/2008

Effective Date (Renewal): 10/15/2008

Status: Exempt from Review

Comment:

This line is exempt from filing rates/rules in compliance with ACA 23-67-206 which states that P&C insurance for commercial risks, excluding workers' compensation, employers' liability and professional liability insurance, including but not limited to, medical malpractice insurance, are exempted from the rate/rule filing and review requirements.

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
Pennsylvania National Mutual Casualty Insurance Company	0.000%	\$0	0	\$0	%	%	0.000%

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Form RF-1, Exhibits C.1, Ca, Cb	Accepted for Informational Purposes	Yes
Supporting Document	Filing Letter, easier to read	Accepted for Informational Purposes	Yes
Rate	Exceptions to ISO Class Table	Accepted for Informational Purposes	Yes
Rate	Countrywide Exception Pages	Accepted for Informational Purposes	Yes
Rate	Arkansas Exception Page	Accepted for Informational Purposes	Yes

Note To Reviewer

Karen Young on 09/17/2008 12:16 PM

Countrywide Exception Pages and General Information - Filing Letter

This filing was filed in our active as well as inactive states. Arkansas is considered an inactive state for our company. I realized after pushing the submit button that the EDITORIAL CHANGES portion of the filing letter (under the Filing Description on the General Information tab) would perhaps be confusing, because it is referencing material that is deleted for Arkansas (as well as our other inactive states). Please see the Arkansas Exception page, PN-AR-BP-E-1, 1st Edition Rev 1008 that is submitted with this filing.

Sincerely,
Karen Young

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Rate Information

Rate data applies to filing.

Filing Method:	File and Use
Rate Change Type:	Neutral
Overall Percentage of Last Rate Revision:	Neutral
Effective Date of Last Rate Revision:	
Filing Method of Last Filing:	

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
Pennsylvania National Mutual Casualty Insurance Company	0.000%	0.000%	\$0	0	\$0	%	%

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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Number:	Attachments
Accepted for Informational Purposes	Exceptions to ISO Class Table	PN-AR-BP-CT-1 through CT-9, 3rd Ed 10/08	Replacement	None shown	AR Class Table Exceptions 1008.pdf
Accepted for Informational Purposes	Countrywide Exception Pages	PN-CW-BP-E-1 through E-30, 10th Ed 10/08	Replacement	None shown	PN-CW-BP-E-1to30-101508.pdf
Accepted for Informational Purposes	Arkansas Exception Page	PN-AR-BP-E-1, New 1st Ed 10/08			PN-AR-BP-E-1-1st Ed -1008.pdf

Pennsylvania National Mutual Casualty Insurance Company
Exceptions to ISO Classification Table

PNI Class Description	PNI Class Code	PNI Risk Type	PNI Rate Number	PNI Rate Group
Accounting Auditing or Bookkeeping Firms	65121n	Office	0	
Advertising Agencies	65121o	Office	0	
Air Conditioning Equipment Dealers - Distributor	00831	Wholesale	6	2
Air Conditioning Equipment Dealers - Retail	59999f	Retail / Mercantile	6	2
Apartment Bldgs - 4 families or fewer with no mercantile or office occup	65141a	Apartment	A	
Apartment Buildings - 4 families or fewer with mercantile or office occup	65142a	Apartment	A	
Apartment Buildings - Over 4 families with mercantile or office occup	65133a	Apartment	A	
Apartment Buildings - Over 4 families with no mercantile or office occup	65132a	Apartment	A	
Appliance Distributors - Household Type	50081	Wholesale	1	4
Appliance Distributors - Radio, T.V. or Compact Disc Players	50061	Wholesale	5	10
Appliance Store-Household Appliances & Home Furnishings, NOC	57224	Retail / Mercantile	1	4
Appliance Store-Radio, T.V., Compact Disc, Phonographic Stores	57326d	Retail / Mercantile	5	10
Appliance Stores - Household Type - Sewing Machine Stores	57223b	Retail / Mercantile	1	1
Appliances & Accessories, Installation, Service/Repair - Commercial & Household	71212	Processing and Service	11	4
Army and Navy Stores	53983	Retail / Mercantile	3	7
Art Galleries	84112	Retail / Mercantile	1	1
Auto Body and Paint Shop	00932a	Auto Repair and Service	12	3
Auto Repair Shops - Airconditioning Shops	00934c	Auto Repair and Service	7	3
Auto Repair Shops - Auto Detailing Shops	00934e	Auto Repair and Service	7	3
Auto Repair Shops - Auto Electric and Ignition Service	00934f	Auto Repair and Service	7	3
Auto Repair Shops - Automotive Stereo Shops	00934d	Auto Repair and Service	7	3
Auto Repair Shops - General Mechanical Repair	00934g	Auto Repair and Service	7	3
Auto Repair Shops - Glass Repair/Replacement Shops	00934h	Auto Repair and Service	7	3
Auto Repair Shops - Muffler Shops	00934i	Auto Repair and Service	7	3
Auto Repair Shops - Radiator/Cooling System Repair	00934j	Auto Repair and Service	7	3
Auto Repair Shops - Service Stations with Repair Bays	00934k	Auto Repair and Service	7	3
Auto Repair Shops - Tire and Service Centers	00934l	Auto Repair and Service	7	3
Auto Repair Shops - Transmission Shops	00934m	Auto Repair and Service	7	3
Auto Repair Shops - Wheel Alignment Shops	00934n	Auto Repair and Service	7	3

Pennsylvania National Mutual Casualty Insurance Company
Exceptions to ISO Classification Table

Automobile Parts and Supplies Distributors	50111	Wholesale	2	3
Automobile Parts and Supplies Stores	55313a	Retail / Mercantile	2	3
Bakeries - Distributors - No baking on premises	50141	Wholesale	7	1
Bakeries - Retail - No baking on premises	54606a	Retail / Mercantile	7	1
Bakeries - Retail - With baking on premises	71311	Retail / Mercantile	13	1
Barber Shops	71332a	Processing and Service	10	1
Barber/Beauty Shop Supplies Distributor - No re-package/re-labeling	50171	Wholesale	6	1
Beauty Parlors and Hair Styling Salon	71952b	Processing and Service	10	1
Beverage Distributors - Soft Drinks and Beer	54446b	Wholesale	6	1
Beverage Store - Soft Drink & Beer	54446a	Retail / Mercantile	6	1
Beverage Stores - Liquor and Wine	59215	Retail / Mercantile	6	6
Bicycle Stores - Sales and Servicing	59505	Retail / Mercantile	1	1
Blueprinting Services	00832	Processing and Service	9	3
Bone, Horn and Ivory Products - Retail Only	59999h	Retail / Mercantile	6	5
Book, Magazines & Stationery Stores (not adult or second hand)	59425	Retail / Mercantile	2	4
Bookbinding and Printing Supplies - Retail	50812	Retail / Mercantile	2	1
Bookbinding and Printing Supplies -Distributors	50201	Wholesale	6	1
Bottled Water Distributors	54446d	Wholesale	6	1
Bottled Water Stores	54446c	Retail / Mercantile	6	1
Bridal Shops	00802	Retail / Mercantile	4	5
Building Material Dealers - Retail	52114a	Retail / Mercantile	2	4
Building Material Distributor (lumber < than 25% total per. Prop. Values)	00911	Wholesale	2	4
Building/Premises-Lessors' Risk (Mixed Occupancy-No Manufacturing)	65198	Retail / Mercantile	3	3
Business Association	00833	Office	O	
Cafes - Limited Cooking	09011	Limited Cooking	LC	3
Camera and Photographic Equipment Stores	59955a	Retail / Mercantile	4	5
Candy, Nut & or Confectionery Stores (no cooking on premises)	54446	Retail / Mercantile	4	1
Catalog or Premium Coupon Redemption Stores	73905a	Retail / Mercantile	6	2
Ceramics - Retail Only	59999i	Retail / Mercantile	6	5
China Shops	00811	Retail / Mercantile	4	5
Civic & Social Association - No Political Groups/Headquarters	00834	Office	O	

Pennsylvania National Mutual Casualty Insurance Company
Exceptions to ISO Classification Table

Clock Stores	00812	Retail / Mercantile	4	5
Clothing or Wearing Apparel Distributors	50231	Wholesale	3	10
Clothing or Wearing Apparel Store-Ladies' Undergarments and Lingerie	56312	Retail / Mercantile	3	6
Clothing or Wearing Apparel Stores - Children's & Infants' Wear	56413b	Retail / Mercantile	3	2
Clothing or Wearing Apparel Stores - Furs (Including Pelts)	56814	Retail / Mercantile	3	8
Clothing or Wearing Apparel Stores - Hosiery	56313	Retail / Mercantile	3	4
Clothing or Wearing Apparel Stores - Ladies' Specialty Stores	56319b	Retail / Mercantile	3	5
Clothing or Wearing Apparel Stores - Men's and Boy's Hats & Caps	50333b	Retail / Mercantile	3	2
Clothing or Wearing Apparel Stores - Millinery & Trimmings	56311c	Retail / Mercantile	3	2
Clothing or Wearing Apparel Stores - Sports Teams	56319c	Retail / Mercantile	3	5
Clothing or Wearing Apparel Stores - Ties	56113a	Retail / Mercantile	3	6
Clothing or Wearing Apparel Stores - T Shirts	56319d	Retail / Mercantile	3	5
Clothing or Wearing Apparel Stores - Uniforms	56319e	Retail / Mercantile	3	5
Clothing or Wearing Apparel Stores - Wigs	59993	Retail / Mercantile	3	3
Clothing/Wearing Apparel Store - Haberdashery and Men's Furnishings	56113	Retail / Mercantile	3	6
Clothing/Wearing Apparel Store-Ladies and Girls (Coats, Suits, Dress)	56214b	Retail / Mercantile	3	10
Clothing/Wearing Apparel Store-Men and Boy Clothing (Coats & Suit)	56114b	Retail / Mercantile	3	10
Clothing/Wearing Apparel Store-Shoe - Ladies, Men and Children Shoe	56613a	Retail / Mercantile	1	4
Coffee Bars - No Cooking	00848	Retail / Mercantile	7	3
Coffee Bars or Shops	09041	Limited Cooking	LC	3
Commercial Artists & Graphic Designers	00843	Processing and Service	O	
Computer Service or Repair - No Software Programming	00805	Processing and Service	11	4
Computer Stores	57326a	Retail / Mercantile	5	10
Concession Stands/Snack Bars - Limited Cooking	09061b	Limited Cooking	LC	3
Condominiums - Mercantile - Association Risk Only	00859	Retail / Mercantile	3	3
Condominiums - Office	60999	Office	O	
Condominiums Residential	69145	Apartment	A	
Convenience Food Stores	54136e	Convenience Food/Gasoline Store	8	7

Pennsylvania National Mutual Casualty Insurance Company
Exceptions to ISO Classification Table

Convenience Food/Gasoline Stores	09321	Convenience Food/Gasoline Store	8	7
Copying and Duplicating Services - Retail	71877a	Processing and Service	9	1
Cosmetic, Hair or Skin Preparation Stores	59991a	Retail / Mercantile	4	1
Court Reporting Services	00844	Office	O	
Cutlery Shops	00816	Retail / Mercantile	6	10
Dairy Products or Butter & Egg Stores	54516c	Retail / Mercantile	7	2
Delicatessens, Sandwich Shops - Limited Cooking	09081	Limited Cooking	LC	3
Delicatessens - No Cooking	54116	Retail	7	3
Dental Laboratories	71444	Processing and Service	11	1
Dentists	65121k	Office	O	
Department or Discount Stores	53127	Retail / Mercantile	5	3
Donut Shops - Limited Cooking	09101b	Limited Cooking	LC	3
Draftsmen	00835	Office	O	
Drive-Ins/Service in Car	09121	Limited Cooking	LC	3
Drugstores	59116	Retail / Mercantile	1	6
Drugstores - Limited Cooking	09141	Limited Cooking	LC	3
Dry Goods Dealers - Retail (Including Fabrics, Yarn & Piece Goods)	53985a	Retail / Mercantile	1	4
Electrical Fixtures and Supplies Distributors	00917	Wholesale	2	4
Electronics Store	57326c	Retail / Mercantile	5	10
Employment Agencies	65121h	Office	O	
Engineers/Architects-Consulting - Not Engaged in Actual Construction	65121e	Office	O	
Engraving	71842	Processing and Service	9	1
Equip, Fixtures or Supplies - For Bars,Hotels,Offices,Restaurants Distr.	50813a	Wholesale	1	4
Fabric Distributors	50321	Wholesale	3	2
Fabric Stores	56311a	Retail / Mercantile	3	2
Fence Dealers	59999j	Retail / Mercantile	6	5
Financial Planning	00836	Office	O	
Floor Covering Distributors	50351	Wholesale	1	4
Floor Covering Stores	57134e	Retail / Mercantile	1	4
Florists	59685	Retail / Mercantile	7	1
Florists - Distributors	50381	Wholesale	7	1
Formal Wear or Costume Rental	00803	Retail / Mercantile	3	5

Pennsylvania National Mutual Casualty Insurance Company
Exceptions to ISO Classification Table

Frozen Food Distributors - Packaged -Wholesale	00818	Wholesale	7	6
Fruit, Produce or Vegetable Dealers	54315	Retail / Mercantile	7	1
Funeral Homes	71865a	Processing and Service	9	1
Furniture Distributors	00819	Wholesale	5	3
Furniture Stores - Furniture, Upholstered - Retail	57121b	Retail / Mercantile	7	6
Furniture Stores - Furniture, Wood or Metal - Retail	57128	Retail / Mercantile	7	1
Garden Apartments - Mercantile or office occupancy	65142b	Apartment	A	
Garden Apartments - No Mercantile or Office occupancy	65141b	Apartment	A	
Gardening and Light Farming Supply Dealers - Retail	59698	Retail / Mercantile	2	1
Gift Distributor (including religious goods)	00921	Wholesale	4	2
Gift Shops (including religious goods)	59994	Retail / Mercantile	4	2
Glass Dealers and Glaziers - Retail Only	57155b	Retail / Mercantile	4	2
Golf Equipment Distributors	00869	Wholesale	5	9
Grocery Distributors	50481	Wholesale	7	6
Grocery Stores - area < 4,000 sq ft and < or = \$5,000,000 in gross sales	54136b	Retail / Mercantile	7	5
Grocery Stores - at least 4,000 sq ft and < or = \$5,000,000 in gross sales	54127c	Retail / Mercantile	8	6
Hardware and Tool Distributors	50501	Wholesale	2	4
Hardware Stores (No LPG Gas Sales)	52512b	Retail / Mercantile	2	4
Health or Natural Food Stores - risks with an area of < 4,000 sq ft	54136c	Retail / Mercantile	7	5
Health/Natural Food Stores - For risks with an area of at least 4,000 sq	54127a	Retail / Mercantile	8	6
Hearing Aid Distributors	50571	Wholesale	6	2
Hearing Aids Sales and Service	59974	Retail / Mercantile	1	2
Heating/Combined Heat and Air Cond Equipment - Dealers and Distrib.	50581	Wholesale	6	2
Hobby, Craft or Artist's Supply Distributors	50641	Wholesale	4	2
Hobby, Craft or Artists' Supply Stores	59995a	Retail / Mercantile	4	2
Home Furnishings Distributor	00828	Wholesale	5	3
Home Improvement Stores	53989	Retail / Mercantile	2	4
Housewares Store	00821	Retail / Mercantile	4	4
Ice Cream Stores - Limited Cooking	09171	Limited Cooking	LC	3
Ice Cream Stores - Retail	54516d	Retail / Mercantile	7	2
Inspection and Appraisal Co - inspecting for insurance or valuation	65121j	Office	O	
Insurance Agents	65121b	Office	O	
Interior Decorator	65121s	Processing and Service	9	3
Janitorial Supplies - Dealers or Distributors - Distributors only	50651	Wholesale	6	5

Pennsylvania National Mutual Casualty Insurance Company
Exceptions to ISO Classification Table

Janitorial Supplies - Dealers or distributors - Retail only	59999k	Retail / Mercantile	6	5
Jewelry Stores or Distributors - Distributors Only	50661	Wholesale	1	10
Jewelry Stores or Distributors - Jewelry Stores - Retail	59715	Retail / Mercantile	1	10
Laundry /Dry Clean Store - Use petrol solv & having < 3 pick up station	09501	Processing and Service	6	2
Laundry and Dry Cleaning Stores or Dyeing Receiving Stations	71811	Processing and Service	1	2
Laundry/Dry Clean Store - Use synth solv and having < 3 pick-up station	09521	Processing and Service	6	2
Lawyers Offices	65121i	Office	0	
Leather Goods and Luggage Stores	56992	Retail / Mercantile	4	2
Leather Goods Distributor - Wholesale	00829	Wholesale	4	2
Libraries	00846	Service	5	3
Lighting Fixtures and Supply Distributors	00923	Wholesale	2	4
Lighting Fixtures and Supply Stores	00959a	Retail / Mercantile	2	4
Lithographing	71855	Processing and Service	9	1
Locksmiths	52512c	Retail / Mercantile	2	4
Lumberyards - Wood Products Retail - NOC	50943a	Retail / Mercantile	4	1
Mail Order Houses	59999a	Retail / Mercantile	6	5
Mailing or Addressing Companies	71837b	Processing and Service	10	1
Manufacturers' Representatives	65121l	Office	0	
Marble Products - Retail Only	59999l	Retail / Mercantile	6	5
Mausoleum Sales	00808	Retail / Mercantile	4	2
Meat, Fish, Poultry or Seafood - Distributors	50671	Wholesale	7	3
Meat, Fish, Poultry or Seafood Stores	54216	Retail / Mercantile	7	3
Medical Offices - Not Clinics	65121m	Office	0	
Mini-Warehouse	00955	Mini- Warehouse	12	2
Mortgage Brokers	00837	Office	0	
Museums	00823	Service	5	5
Music Stores - Pre-recorded	57338a	Retail / Mercantile	4	2
Musical Instrument Distributors	00926	Wholesale	5	10
Musical Instrument Repair	00804	Processing and Service	10	2
Musical Instrument Stores	57334	Retail / Mercantile	4	4
Nail Salons	71952a	Processing and Service	10	1
Newsstands	59935	Retail / Mercantile	4	1
Office Equipment and Supply Distributor	50691	Wholesale	6	1

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Office Machine Repair & Installation	00806	Processing and Service	11	4
Office Machines or Appliances - Distributors - No Repair	00809	Wholesale	1	1
Office Machines or Appliances - Retail - No Repair	50925b	Retail / Mercantile	1	1
Office Machines/Appliances-Retail -Including Install and Repair	00815	Retail / Mercantile	11	4
Optical Goods And Service	59954	Retail / Mercantile	1	2
Optical Goods and Supplies Distributor	50721	Wholesale	1	2
Optometrists Office	00838	Office	O	
Paint and Wallpaper or Wallcovering Stores	52322	Retail / Mercantile	4	1
Painting, Picture, or Frame Stores	59999b	Retail / Mercantile	6	5
Party Supply Stores	59435c	Retail / Mercantile	2	4
Pet Grooming	00824	Processing and Service	11	1
Pet Stores	59997	Retail / Mercantile	6	2
Photo develop (self contained develop procedure only, no custom work)	00988a	Processing and Service	11	1
Photoengraving	71888	Processing and Service	9	1
Photographers	71899a	Processing and Service	11	1
Photographic Equipment and Supplies - Distributors	00813	Wholesale	4	5
Physiotherapists	65121g	Office	O	
Pizza Shops - Limited Cooking	09211	Limited Cooking	LC	3
Plastic and Rubber Goods Distributors	00928	Wholesale	6	2
Plumbing Supplies and Fixtures Dealers and Distributors - Distributors	50741	Wholesale	2	5
Plumbing Supplies and Fixtures Dealers and Distributors - Retail	59999g	Retail / Mercantile	6	5
Poultry Distributors - Frozen, Packaged	00807	Wholesale	7	3
Printers or Electrotypes Supplies - Distributors	00801	Wholesale	7	2
Printing	71912b	Processing and Service	9	2
Professional Organization	00841	Office	O	
Real Estate Agents	65121f	Office	O	
Record and Tape Distributors	00847	Wholesale	5	10
Refrigeration Equipment - Dealers and Distrib only - Comm - Distributors	50771	Wholesale	6	2
Refrigeration Equipment - Dealers and Distributors only - Comm - Retail	59983	Retail / Mercantile	6	2
Restaurant and Hotel Equipment Distributors	00825	Wholesale	6	2
Saddlery Store	00827	Retail / Mercantile	5	3
Salad Bars	09231	Limited Cooking	LC	3
School Supply Stores	00817	Retail / Mercantile	2	4

Pennsylvania National Mutual Casualty Insurance Company
Exceptions to ISO Classification Table

Shoe Repair	71926	Processing and Service	10	4
Sign Painting/Lettering - Inside of Building Only, No Spray Painting	00814	Processing and Service	10	4
Sporting Goods or Athletic Equipment Stores	59526	Retail / Mercantile	5	9
Stationery or Paper Products Distributors	50801	Wholesale	6	1
Stationery or Paper Products Stores - Paper Products	59435b	Retail / Mercantile	2	4
Stationery or Paper Products Stores Other than Paper Products	59435a	Retail / Mercantile	2	4
Statuary Stores	00822	Retail / Mercantile	4	2
Stenographic Services	65121g	Office	O	
Stockbrokers	00842	Office	O	
Sunglass Boutiques	00861	Retail / Mercantile	4	2
Supermarket-< 4,000 sq ft & gross sales > \$500,000 but < \$5,000,000	54136d	Retail / Mercantile	7	5
Supermarket-at least 4,000 sq ft & gross sales > \$500,000 < \$5,000,000	54127b	Retail / Mercantile	8	6
Surveyors land - Not engaged in actual construction	00984	Office	O	
Tailors	71961	Processing and Service	3	6
Take Out Only Restaurants - Limited Cooking	09261	Limited Cooking	LC	3
Tax Preparation Services	65121r	Office	O	
Taxidermists	71976	Processing and Service	10	2
Television or Radio Receiving Set Installation or Repair	71921a	Processing and Service	11	6
Tennis Equipment Distributors	00867	Wholesale	5	9
Three/Four Family Lessors' Risk Only - Mercantile or Office Occupancy	65142c	Apartment	A	
Three/Four Family Lessors' Risk Only-No Mercantile/Office Occupancy	65141c	Apartment	A	
Ticket Agencies	65121p	Office	O	
Tire Dealers	55313b	Retail / Mercantile	7	3
Toy Distributors	50901	Wholesale	4	1
Toy Stores	59998	Retail / Mercantile	4	1
Travel Agencies - Not Engaged in Conducting Tours	00985	Office	O	
Trophy Stores	59996	Retail / Mercantile	4	9
Variety Stores - Discount Houses	53315	Retail / Mercantile	2	6
Variety Stores - Five and Ten Cent Stores	53317	Retail / Mercantile	5	3
Variety Stores - Retail NOC	59999m	Retail / Mercantile	6	5
Veterinarian or Veterinary Hospitals - Veterinarians Offices only	65721	Office	O	
Video Stores	57338b	Retail / Mercantile	4	2

Pennsylvania National Mutual Casualty Insurance Company
Exceptions to ISO Classification Table

Watch, Clock, or Jewelry Repair	71941	Processing and Service	10	10
Water Softening Equip Stores - Rental Limited to 15% of Sales	00826	Retail / Mercantile	6	2
Wood Products Retail NOC	50943b	Retail / Mercantile	4	1

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ADDITIONAL RULES

Additional Rule A. BUILDING CODE EFFECTIVENESS GRADING does not apply.

RULE 8. POLICY WRITING MINIMUM PREMIUM

Rule 8.A. and B. are replaced by the following:

- A.** The minimum premium for an annual policy is \$400.
- B.** For policies issued for a term less than one year, apply a minimum premium of \$150.

RULE 9. ADDITIONAL PREMIUM CHANGES

Paragraphs 9.A. is replaced by the following:

- A.** Calculation of Premium
 - 2. In computing the additional premium for:
 - a. Locations added at policy inception or after the policy inception, (including all coverages, options and causes of loss at the location); use the rates and rules in effect as of the policy inception date.
 - b. Any changes made to a location included at policy inception or added after policy inception, use the rates and rules in effect as of the policy inception date.
- B.** Waiver of Premium
 - Waive additional premium of \$15.00 or less.

RULE 10. RETURN PREMIUM CHANGES

Paragraph A.2. and B. are replaced by the following:

- A.** Premium Computation
 - 2. Compute the return pro rata and round to the next higher whole dollar when any coverage of exposure is deleted or a limit of insurance is reduced.
- B.** Waiver of Premium
 - Waive return premium of \$15.00 or less. Grant any return premium due if requested by the insured. This waiver applies only to that portion of premium due on the effective date of the policy change.

RULE 11. POLICY CANCELLATION

Rule 11C. is deleted.

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RULE 14 MANDATORY FORMS, COVERAGE AND LIMITS

Paragraph 14.B.2. is replaced by the following.

B. Forms

2. Attach Special Businessowners Property Coverage Form BP 00 02 to all policies.

Paragraphs 14.F. through 14.Y are added as follows:

F. Businessowners PennPac Endorsement 71 1026

Attach Businessowners PennPac Endorsement 71 1026 to all Businessowner policies unless the Businessowners PennPac Endorsement 71 1027 has been selected.

This endorsement modifies the basic policy contract and any coverage forms attached to the basic policy contract by adding additional coverage limits, broader coverages, coverage limitations and exclusions.

G. Equipment Breakdown Coverage 71 0880

Attach Equipment Breakdown Coverage 71 0880 which provides coverage for mechanical breakdown, artificially generated electric current, steam explosion and other loss of damage to steam equipment, water heating equipment and other covered property.

H. Premium Audit Endorsement BP 04 96

Attach Premium Audit Endorsement BP 04 96 to all Businessowners policies. This endorsement amends the Businessowners Policy Premium Audit Condition to indicate that the due date for audit premiums is the date shown as the due date on the bill.

I. Exclusion - Lead Contamination 71 0544

Attach Exclusion – Lead Contamination 71 0544 to all Businessowners policies.

J. Exclusion – Year 2000 Computer Related and Other Electronic Problems (Products-Completed Operations Hazard) Endorsement BP 10 06

Attach Exclusion – Year 2000 Computer Related And Other Electronic Problems (Products-Completed Operations Hazard) Endorsement BP 10 06 to all Businessowners policies.

K. Employment-Related Practices Exclusion Endorsement BP 04 17

Attach Employment-Related Practices Exclusion Endorsement BP 04 17 to all Businessowners policies.

L. Liquor Liability Exclusion BP 04 18

Attach Liquor Liability Exclusion BP 04 18 to all Businessowners policies.

M. Auto Repair and Service Program Amendatory Endorsement 71 0810

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RULE 14 MANDATORY FORMS, COVERAGE AND LIMITS CONTINUED

Attach Auto Repair and Service Program Amendatory Endorsement 71 0810 to all Auto Repair and Service policies. This endorsement amends the Businessowners policy to provide coverage for auto repair and service risks.

N. Mini-Warehouse Amendatory Endorsement 71 0135

Attach Mini-Warehouse Amendatory Endorsement 71 0135 to all policies. This endorsement amends the Businessowners Coverage Form BP 00 02 to exclude coverage for customers property.

O. Limited Fungi or Bacteria Coverage (Property) 71 1030

Attach the Limited Fungi or Bacteria endorsement 71 1030 modifies the Businessowners Coverage Form BP 00 02 to provide limited coverage for fungi which is a consequence of a specified cause of loss.

P. Fungi or Bacteria Exclusion (Liability) 71 1031

Attach the Fungi or Bacteria Exclusion (Liability) 71 1031 which excludes liability arising out of fungi or bacteria on or within a building structure, including its contents.

Q. Intellectual Property Exclusion 71 1028

Attach the Intellectual Property Exclusion 71 1028. This exclusion clarifies that only Personal and Advertising Injury arising out of infringement in your advertisement, of copyright, trade dress or slogan is covered.

R. Asbestos Endorsement (Exclusion) 71 1021

Attach Asbestos Endorsement (Exclusion) 71 1021 to all Businessowners policies.

S. Exclusion – Property Entrusted 71 1216

The Exclusion – Property Entrusted 71 1216 endorsement excludes property damage coverage to property of others entrusted and on premises owned or rented under the Businessowners Liability Coverage Form.

Attach the Exclusion – Property Entrusted 71 1216 on all Mini-Warehouse policies when the Mini-Warehouse Property of Others Legal Liability Endorsement 71 0134 is not attached to the policy.

T. Tobacco Products Exclusion 71 1024

Attach Tobacco Products Exclusion 71 1024 to all Businessowners policies written with any of the following classifications:

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RULE 14 MANDATORY FORMS, COVERAGE AND LIMITS IS CONTINUED

Beverage Distributors - Soft Drinks & Beer	54446b
Beverage Store - Soft Drinks & Beer	54446a
Beverage Stores - Liquor and Wine	59215
Bottled Water Distributors	54446d
Bottled Water Stores	54446c
Convenience Food Stores	54136e
Convenience Food/Gasoline Stores	09321
Dairy Products or Butter & Egg Stores	54516c
Department or Discount Stores	53127
Drugstores	59116
Drugstores - Limited Cooking	09141
Grocery Distributor	50481
Grocery Stores - area <4,000 sq. ft.	54136b
Grocery Stores - area at least 4,000 sq. ft.	54127c
Health or Natural Food Stores < 4,000 sq. ft.	54136c
Health or Natural Food Stores at least 4,000 sq. ft.	54127a
Mail Order Houses	59999a
Newsstands	59935
Supermarket < 4,000 sq. ft.	54136d
Supermarket at least 4,000 sq. ft.	54127b
Variety Stores - Discount Houses	53315
Variety Stores - Five and Ten Cent Stores	53317
Variety Stores - Retail NOC	59999m
Newsstands	59935

U. War Liability Exclusion **BP 05 14**

1. Description of Coverage

War Liability Exclusion Endorsement **BP 05 14** amends the businessowners liability coverage to expand the War and Military Action Exclusion beyond contractually assumed liabilities to include all war and warlike actions.

Attach War Liability Exclusion Endorsement **BP 05 14** to all businessowners policies.

V. Businessowners Liability Coverage Amendment **71 1261**

Businessowners Liability Coverage Amendment **71 1261** clarifies and adds new exclusions in regards to Internet liability, the Telephone Consumer Protection Act, the CAN-SPAM Act of 2003 and Silica or Silica-Related Dust.

Attach Businessowners Liability Coverage Amendment **71 1261** to all businessowners policies.

71 1261 is not a premium bearing endorsement.

W. Surveyors Amendatory Endorsement **71 1282**

Surveyors Amendatory Endorsement **71 1282** provides automatic additional insured coverage, blanket waiver of subrogation and clarification of the definition “Insured contract”.

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RULE 14 MANDATORY FORMS, COVERAGE AND LIMITS CONTINUED

Surveyors Amendatory Endorsement **71 1282** will automatically attach to Surveyors – Land – Not engaged in actual construction 00984.

71 1282 is not a premium bearing endorsement.

X. Exclusion of Loss Due to Virus or Bacteria 71 1294

Exclusion of Loss Due to Virus or Bacteria **71 1294** states that there is no coverage for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

Attach Exclusion of Loss Due to Virus or Bacteria **71 1294** to all Businessowners policies.

71 1294 is not a premium bearing endorsement.

Y. Debris Removal Amendatory Endorsement 71 1289

Debris Removal Amendatory Endorsement **71 1289** clarifies the intent of the calculation of payments under the Additional Coverage.

Attach Debris Removal Amendatory Endorsement **71 1289** to all Businessowners policies.

71 1289 is not a premium bearing endorsement.

RULE 17. BLANKET INSURANCE EXCLUSION

Rule 17. is replaced with the following:

17. BLANKET INSURANCE EXCLUSION

Property may be written on a blanket basis as follows:

- a. Property limits must equal 100% values.
- b. Rate each building and business personal property separately for each location.

RULE 18. DEDUCTIBLES

Paragraph B. Optional Fixed Dollar Deductible.

A \$5,000 optional deductible is added to the list of optional deductibles.

Paragraph C.4. is replaced by the following:

C. Optional Windstorm Or Hail Percentage Deductibles

4. Rate Modification

- a. Fixed Dollar Deductibles Without Optional Windstorm or Hail Percentage Deductible.

If a fixed dollar deductible is selected to apply to all causes of loss (including Windstorm or Hail), multiply the Building or Personal Property rate determined in **Rule 21.C.6.** by the factor shown in **Table 18.C.4.a.**

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RULE 18. DEDUCTIBLES CONTINUED

Fixed Dollar Deductible	Factor
\$250	1.05
\$500	1.00
\$1,000	0.91
\$2,500	0.89
\$5,000	0.87

Table 18.C.4.a.

- b. Fixed Dollar Deductibles With Optional Windstorm or Hail Percentage Deductible.

If a fixed dollar deductible has been chosen to apply to all causes of loss other than Windstorm or Hail and an optional Windstorm or Hail percentage deductible is selected:

- (1) Multiply the Building or Personal Property rate as determined in **RuleE 21.C.6.** by the appropriate Windstorm or Hail percentage deductible factor from **Table 18.C.4.b.**
- (2) Windstorm or Hail percentage deductible factors do not apply if the limit of insurance applicable to the property being rated is less than the minimum limit shown in **Table 18.C.4.b.**

Windstorm or Hail Percentage Deductible Factors						
Fixed Dollar Deductible	1%		2%		5%	
	Factor	Minimum Limit	Factor	Minimum Limit	Factor	Minimum Limit
\$250	1.06	\$50,000	1.04	\$37,500	1.03	\$25,000
\$500	1.00	\$100,000	0.99	\$50,000	0.98	\$30,000
\$1,000	0.91	\$125,000	0.90	\$75,000	0.89	\$40,000
\$2,500	0.89	\$275,000	0.88	\$150,000	0.87	\$70,000
\$5,000	0.87	\$525,000	0.86	\$275,000	0.84	\$120,000

Table 18.C.4.b.**RULE 19. ELIGIBILITY**

Paragraphs A. through E.1.a. (3) are replaced by the following:

A. General

Eligible risks can be determined by using the following criteria and the Classification Table. Basement areas not open to the public are not to be considered in computing floor area.

1. Habitational

- a. GARDEN APARTMENT projects consisting of one (1) or two (2) family habitational structures utilized principally for apartment purposes with each equipped with cooking facilities, no mercantile, service or office occupancy. All units must be grouped within a single area and under common ownership, management and control. (Single family dwellings and duplexes are not eligible).

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RULE 19. ELIGIBILITY CONTINUED

- b. APARTMENTS – with a minimum of three (3) units, maximum of sixty (60) units and six (6) stories in height with no more than 15,000 square feet of eligible mercantile or service occupancy. Note: One (1) and two (2) unit apartments, not garden apartment projects, are eligible under the combined occupancy criteria. Example: Drugstore and two (2) apartment units in the same building.
 - c. RESIDENTIAL CONDOMINIUMS – with a minimum of three (3) units, maximum of sixty (60) units and six (6) stories in height with no more than 15,000 square feet of eligible mercantile and or service occupancy.
2. Mercantile
- a. RETAIL– including incidental wholesale maximum of 50,000 square feet of eligible occupancy. No more than 50% of total receipts from off premises installation, installation, service or repair. If combined retail and wholesale – retail sales must exceed 25% of total receipts.
 - b. MERCANTILE CONDOMINIUM – ASSOCIATION RISK ONLY – Maximum of 50,000 square feet with at least 85% of the total floor area of the building occupied by BOP eligible classes of business. For the purposes of this rule, all office occupancies will be considered BOP eligible.
 - c. WHOLESALE – including incidental retail - maximum of 50,000 square feet of eligible occupancy. If combined wholesale and retail, retail cannot exceed 25% of total receipts.
 - (1) Establishments supplying other businesses with goods, supplies and/or merchandise, usually in large or bulk quantity.
 - (2) Risks not eligible include:
 - (a) Discount retail stores, factory outlets, or any other facility generating more than 10% of total receipts from the general public.
 - (b) Direct importing
 - (c) Secondhand products
 - (d) Service, installation or repair
 - (e) Rental
3. Service – Maximum of 50,000 square feet of eligible service occupancy.
4. Office
- a. Building – including condominium - maximum of ten (10) stories in height or 100,000 square feet in total area with no more than 15,000 square feet of other eligible occupancy.
 - b. Business Personal Property - Maximum 50,000 square feet in any one building.
5. Mini-Warehouse
- Establishments renting storage spaces to individuals and/or businesses. These consist of many individual units, each subject to access by the lessee. The movement of stored

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RULE 19. ELIGIBILITY CONTINUED

items is the sole responsibility of the lessee. The establishment will have a limited work force consisting principally of office personnel and gate attendants, contrary to a public warehouse that would employ warehouse workers who handle stored items. Generally, storage space will provide electricity only, no heat, water, gas or other utilities.

- a. Unlimited number of storage units, buildings or total square footage.
- b. Storage units occupied for storage purposes only. No processing, manufacturing, repairing, etc. permitted.
- c. Truck rental or leasing operations are not eligible. Mini-Warehouse with truck rental exposures can be written if the truck rental exposure is excluded by attachment of endorsement BP 04 01 and is covered elsewhere.
- d. Mini-Warehouses owned and operated by a moving or storage company or a trucking concern are ineligible.
- e. Lessees are required to sign a contractual lease agreement which must include hold harmless in favor of insured, restrictions on the storage of flammable liquids, explosives, fireworks and hazardous substances/waste; and restrictions limiting lessee activity to storage only, no processing, manufacturing, repairing, etc.

6. Lessor's Risk

- a. Buildings or Premises – not occupied by the insured (lessor's risk only).

(1) All Other

The building or premises must meet the established eligibility criteria outlined for the risk occupancy. At least 85% of the total floor area of the building must be occupied by BOP eligible classes of business. For the purposes of this rule, all office occupancies will be considered BOP eligible.

7. Limited Cooking Risks

- a. Maximum of 15,000 square feet of eligible occupancy.
- b. Maximum inside seating capacity of 75.
- c. Cooking exposure is limited to appliances that do not emit smoke or grease-laden vapors that require an exhaust system (for example, domestic ranges, domestic ovens, electric sandwich grills, infra-red snack warmers, microwave ovens, pizza ovens, roller warmers, toasters and warming ovens). No grilling, open broiling, deep fat frying, roasting, barbecuing, solid fuel cooking (for example, mesquite, charcoal or hardwood) or other processes capable of producing grease-laden vapors requiring an exhaust system are permitted.
 - (1) Grease fryers used for cooking donuts are acceptable under the Donut Shop classification 09101b.

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RULE 19. ELIGIBILITY CONTINUED

- d. This class is intended for only the specific classifications listed, classification by analogy is not permitted. Risks not eligible include (but are not limited to):
 - (1) Restaurants
 - (2) Pushcarts, Mobile Lunch Stands
 - (3) Catering
 - (4) Cooking Vehicles
 - (5) Seasonal Operations
 - (6) Bar or Lounge
- 8. Auto Repair and Service
 - a. Maximum of 50,000 square feet of eligible occupancy. No more than 12 vehicle sales per year and no more than 2 dealer plates. Spray painting must be conducted in approved spray paint booths.
 - b. The following types of Auto Repair and Service risks eligible for coverage under the Businessowners Policy.
 - (1) Auto Body and Paint shops
 - (2) Auto Repair shops including:
 - (a) Air Conditioning
 - (b) Automotive Stereo shops
 - (c) Auto Detailing shops
 - (d) Auto Electric and Ignition Service
 - (e) General Mechanical Repair
 - (f) Glass Repair/Replacement shops
 - (g) Muffler shops
 - (h) Radiator/Cooling System Repair
 - (i) Service Stations with Repair Bays
 - (j) Tire and Service Centers
 - (k) Transmission shops
 - (l) Wheel Alignment shops
 - c. This class is intended for only the specific classifications listed. Classifying by analogy is not permitted.
Risks not eligible include (but are not limited to):
 - (1) Automobile parking facilities
 - (2) Car washes (other than incidental)
 - (3) Convenience Stores
 - (4) Frame and axle structural repair
 - (5) Gas stations, including any risk with (6) gasoline sales as the principal operation
 - (6) Manufacturing of any type
 - (7) Motorcycle repair shop
 - (8) Quick lube shops
 - (9) Race car activity (participation in, or sponsorship of organized speed contests of any type)
 - (10) Recapping/Retreading by the insured

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RULE 19. ELIGIBILITY CONTINUED

- (11) Rent-a-bay operations
- (12) Rental or leasing operations
- (13) Rust proofing, undercoating
- (14) Seat cover/upholstery shops
- (15) Scrap/Salvage yards – including salvage, recycling or dismantling operations
- (16) Snow removal services (incidental only, no municipal contracts permitted)
- (17) Towing as the principle operation and/or municipal towing contracts
- (18) Truck Service plazas and/or heavy truck repair

B. Building and Personal Property Ownership

When under one ownership, building and personal property must be included in the same policy.

RULE 20 ELIGIBLE PROCESSING AND SERVICE CLASSIFICATIONS

This rule does not apply.

RULE 21. PREMIUM DEVELOPMENT – MANDATORY COVERAGES

Paragraph B.2. is replaced by the following:

B. Special Rules

- 2. If apartment or office building contain eligible mercantile, wholesale, service or processing, limited cooking, or auto repair and service occupancies:
 - a. Rate as apartment or office if the total mercantile, wholesaler, service or processing and auto repair and service occupancies are not more than 7,500 square feet and not more than 15% of the total floor area of the building.
 - b. In all other cases, rate as mercantile, wholesaler, service or processing and auto repair and service. The rate of the predominant mercantile, wholesale, service or processing and auto repair and service occupancy applies. (If no such occupancy is predominant, use the highest rate).
 - c. Mini-Warehouses, if incidental office or incidental habitational exposure maintained for the occupancy of the owner or manager, use “Mini-Warehouse” Building rates. Mini-Warehouses with other occupancies are not eligible.

The applicable Personal Property rate for any combined occupancy tenant will be the highest rate number applicable to the tenant.

Paragraph C.5.c. is amended as follows:

C. Premium Determination

- 5. Sprinklered Property (Rating Identification Code 5)
 - c. Rate Determination

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RULE 21. PREMIUM DEVELOPMENT – MANDATORY COVERAGES CONTINUED

In **Table 21.C.5.c.(# 2)**, the Building sprinkler factor for Apartment Building and Condominium Apartments is amended to **.80**. For Condominium Mercantile – Association Risk Only, use Rate Numbers 1-13 (Lessor).

Paragraph C.6.a.(2) is replaced by the following:

- 6. Premium Determination
 - (2) Apartments And Apartment Condominium Associations
The Building state company rates/ISO loss costs are used for both the Building and Business Personal Property Coverages

Paragraph C.6.d.(1) and C.6.d.(1)(a) are replaced by the following:

- 6. Premium Determination
 - d. Special Form BP 00 02 (Type of Policy Code 82) Business Personal Property (Coverage Code 02) – Premium Calculation
 - (1) Eligible Mercantile, Wholesale, Service or Processing Risks, Auto Service & Repair and Mini-Warehouse.
 - (a) For eligible mercantile, wholesale, service or processing, auto service & repair and mini-warehouse (refer to Rule 19), determine the Rate Group from the Classification Table and determine the premium increment that corresponds to the limit of insurance.

Paragraph C.6.h., C.6.i. and C.6.j. are added as follows:

- h. Central Alarm Credit
 - (1) Fire Alarm
Apply a fire alarm credit when the Building is protected by a central station alarm. Attach Protective Safeguards form BP 04 30.
 - (2) Burglar Alarm Credit

Apply a burglar alarm credit when the Building is protected by a central station alarm.
 - (3) Rate Determination for Fire and Burglar Alarm credit.
 - a. Building and/or Business Personal Property base rate multiplied by .95 (The Central Alarm Credit may be applied only once, even if both alarm types are applicable)
- i. Funeral Directors
Charge an additional premium for each Cemetery. Premium is determined by multiplying the applicable rate from **Table 21.C.6.i.** by the number of Acres. Option coverages for Funeral Directors are available. Refer to **Rules 23.AA. and 23.BB.**

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RULE 21. PREMIUM DEVELOPMENT – MANDATORY COVERAGES CONTINUED

Limit of Liability	Loss Cost per Acre
\$300,000	\$4.80
\$500,000	\$5.25
\$1,000,000	\$5.75

Table 21.C.6.i.

- j. Vacant Land
Charge an additional premium for vacant land. Premium is determined by multiplying the applicable rate from **Table 21.C.6.j.** by the number of acres.

Limit of Liability	Loss Cost per Acre
\$300,000	\$1.50
\$500,000	\$1.70
\$1,000,000	\$1.90

Table 21.C.6.j.

RULE 22 OPTIONAL COVERAGES

Rule 22.A.2.b.is amended as follows:

2. Actual Cash Value - Buildings Option (Rating Base Code 1).
b. Rate Modification
For both owner and non-owner occupied Buildings, multiply the Building company rates determined in Rule **21.C.6.a.(4)** and **21.C.6.c.(1)** by **1.10**.

Rule 22.A.4. is deleted.

Rule 22.A.5.a. is replaced by the following:

5. Employee Dishonesty (Coverage Code 5)
a. Description of Coverage
Coverage is available for dishonest or fraudulent acts of the insured's employees, at optional limits of \$25,000, \$50,000 or \$100,000 per occurrence.

Rule 22.A.10.a and last paragraph under b. are amended as follows:

10. Accounts Receivable
a. Description of Coverage
The limit of insurance for Accounts Receivable coverage in the selected Businessowners PennPac Endorsement may be increased. Limits available are \$25,000, \$30,000, \$40,000, \$50,000, \$75,000, \$100,000, \$150,000, \$200,000 and \$250,000.

Multiply the result by the Accounts Receivable limit (per \$100) in excess of the limit provided by the selected Businessowners PennPac endorsement.

Rule 22.A.11.a. and last paragraph under b. are amended as follows:

11. Valuable Papers

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RULE 22 OPTIONAL COVERAGES CONTINUED

a. Description of Coverage

The limit of insurance for Valuable Papers and Records coverage in the selected Businessowners PennPac Endorsement may be increased. Limits available are \$25,000, \$30,000, \$40,000, \$50,000, \$75,000, \$100,000, \$150,000, \$200,000 and \$250,000.

Multiply the result by the Valuable Papers limit (per \$100) in excess of the limit provided by the selected Businessowners PennPac Endorsement.

Rule 22.A.13. is added:

13. Employee Tools - Auto Repair and Service

(a) Description of Coverage

A \$10,000 limit of insurance for Employee Tools is included in the Property Changes Section of the Auto Repair and Service Amendatory Endorsement 71-0810. Increased limits are available.

(b) Premium Determination

Develop the additional premium for Employee Tools by multiplying the additional limit of insurance (per \$100) by the appropriate Business Personal Property final rate developed in **Rule 21.C**.

Rule 22.B.2.a.(3) and 22.B.2.b.(5) are replaced by the following:

B. Liability and Medical Expenses Coverage

2. Business Liability Coverage - Tenants Liability

a. Business Liability Coverage – Tenants Fire Liability

(3) Premium Determination

Develop the additional premium by multiplying the Building state company rate/ISO Loss Cost by .05. Multiply the result by the limit of insurance (per \$100) in excess of \$50,000.

b. Business Liability Coverage - Tenants Liability

(5) Premium Determination

Develop the additional premium by multiplying the Building state company rate/ISO Loss Cost by .10. Multiply the result by the limit of insurance (per \$100).

Rule 22.C is added:

C. Fungi, Wet Rot, Dry Rot and Bacteria - Coverage Options

1 Property

a. Limited Fungi or Bacteria Coverage Options

(1) Coverage

The following options may be provided by appropriate entry in the Schedule of Endorsements:

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RULE 22 OPTIONAL COVERAGES CONTINUED

- (a) Increase the \$15,000 sub-limit for Property Coverage. The new limit may not exceed the Limit of insurance, since coverage for fungi is part of, not in addition to, the Limit of Insurance. The revised limit on fungi remains an annual aggregate limit.
 - (b) Change the application of the \$15,000 (or higher) limit, from a per-policy annual aggregate limit to an annual aggregate limit which applies separately to specified premises or locations. If the Schedule so indicates, a premises may be a separate building.
 - (c) Increase the Time Element Coverage period by selecting the Business Income/Extra Expense - Revised Number of Days option.
- (2) Premium Determination
- The following rating provisions apply to the use of Endorsement 71 1030:
- (a) If the Schedule indicates that a limit in excess of \$15,000 applies and the separate premises or locations option has not been selected:
 - (i) Multiply the amount of the increased limit (in 100's) in excess of \$15,000 by .09 to determine the additional premium.
 - (b) If the Schedule indicates that the \$15,000 (or higher) limit applies to the separate premises or locations option:
 - (i) Multiply the number of premises or locations (minus one) by \$10.
 - (ii) Multiply the amount of the increased limit (in 100's) in excess of \$15,000 by .09.
 - (iii) Add the results of Paragraphs (i) and (ii) to determine the total additional premium.
 - (c) If the Schedule indicates that the Business Income/Extra Expense - Revised Number of Days option applies:
 - (i) Multiply the Building premium and the Business Personal Property Premium determined in Rule **21.C.6** by the applicable factor shown in **Table 22.C.i.** Business Income (Extended) - Extended Period of Indemnity in the state rating relativities and factors section to determine the additional premium.

Number of Days *	Factor
60	.002
90	.003
120	.004
150	.006
180	.008
*Interpolation Not Permitted	

Table 22.C.i.

- 2. Liability
 - a. Fungi or Bacteria Coverage Options
 - (1) Coverage

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RULE 22 OPTIONAL COVERAGES CONTINUED

To provide limited coverage for liability arising out of fungi or bacteria on or within a building structure including its contents, attach Limited Fungi or Bacteria Coverage (Liability) Endorsement 71-1032.

(2) Premium Determination

Coverage provided under this endorsement is subject to a Fungi or Bacteria Aggregate Limit. A Flat charge of \$50 to \$500 will apply based on the property's susceptibility to Fungi or Bacteria damage. Refer to Company.

RULE 23. ENDORSEMENTS

Rule 23.C.1.c. does not apply.

Rule 23.C.9.c. does not apply.

Rule 23.C.10.c. is replaced by the following:

C. Additional Insured Endorsements - (Liability and Medical Expenses Coverage)

10. Additional Insured - Vendors

c. Premium Determination

The Loss Cost charge for each endorsement is \$50.

Rule 23.C.12. through Rule 23.C.14. are added:

C. Additional Insured - Grantor or Franchise

12. Additional Insured - Grantor or Franchise 71 0309

a. Description of Coverage

This endorsement may be added to include as an additional insured the Grantor of Franchise, but only with respect to their liability as grantor of a franchise.

b. Endorsement

Use Additional Insured - Grantor of Franchise Endorsement 71-0309.

c. Premium Determination

The Loss Cost charge for each endorsement is as shown in **Table 23.C.12.c. :**

Total Gross Annual Receipts	Loss Cost
Up to \$5,000,000	\$100
Greater than \$5,000,000	\$250

Table 23.C.12.c.

13. Additional Insured - Owners, Lessees or Contractors

a. Description of Coverage

This endorsement permits the addition of an owner, lessee or contractor as an additional interest, for their operations on the insured's behalf.

b. Endorsement

Use Additional Insured - Owners, Lessees or Contractors Endorsement 71-0629.

c. Premium Determination

The Loss Cost charge for each endorsement is \$25.

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RULE 23. ENDORSEMENTS CONTINUED

14. Additional Insured - Designated Persons or Organizations

- a. Description of Coverage
This endorsement may be attached to write coverage for additional interests when no other filed additional insured endorsement is applicable.
- b. Endorsement
Use Additional Insured - Designated Persons or Organizations Endorsement 71-0628.
- c. Premium Determination
The Loss Cost charge for each endorsement is \$50.

Rule 23.D.2. is replaced by the following:

D. Hired Auto (Coverage Code 14) and Non-Owned Auto (Coverage Code 13) Liability

2. Endorsement
Use Hired Auto and Non-Owned Auto Liability Endorsement BP 04 04.
 - a. Partnerships ONLY: Form 71-0683 may be added with no additional charge. This form deletes the exclusion to personal autos of partners under the Non-Owned Auto definition of BP 04 04.
 - b. Ineligible risks
The following risks are not eligible for this coverage:
 - (1) Any insureds who have a policy covering other commercial automobile exposures;
 - (2) Auto Repair and Service Risks; and
 - (3) Pizza Shops.

Rule 23.I.1., 23.I.3.a.(1) and 23.I.4. are replaced by the following:

I. Spoilage Coverage - Power Outage

1. Description of Coverage
Direct damage coverage may be extended under the Special BP 00 02 Form for spoilage of perishable stock caused by Breakdown or Contamination and/or Power Outage. Breakdown or Contamination coverage will not be offered under this endorsement.

Coverage for Breakdown or Contamination is automatically provided under the mandatory Equipment Breakdown Coverage Form (71-0880), with a limit of \$50,000. Power Outage is the only coverage that will be offered under this endorsement.

3. Rules

- a. Schedule:
 - (1) The covered cause of loss, (Only Power Outage coverage is available under this endorsement)

4. Premium Determination

- a. Classification
Determine the classification (based on occupancy type) from **Table 23.I.4.a.**

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RULE 23. ENDORSEMENTS CONTINUED

Class 1	Bakery Goods Cheese Shops Fruits and Vegetables Limited Cooking Risks
Class 2	Dairy products, excluding ice cream Grocery Stores Meat and Poultry Markets Pharmacies
Class 3	Dairy products, including ice cream Florists Seafood

Table 23.I.4.a.

b. Rates.

Select the appropriate Loss Cost for each type of property or occupancy specified in the Schedule using **Table 23.I.4.b.** Multiply the Loss Cost times Loss Cost Multiplier times the limit of insurance (per \$100) to determine the premium.

Classification	Loss Cost
1	\$.75
2	.80
3	.90

Table 23.I.4.b.

Rule 23.L. is replaced by the following:

L. Computer Coverage (Coverage Code 19)

1. Description of Coverage

Coverage for risks of direct physical loss or damage is provided for:

a. Electronic Data Processing Equipment

Coverage includes mechanical breakdown coverage. The limit for this coverage is the limit in the Businessowners PennPac endorsement, unless a higher limit is shown in the declarations.

b. Electronic Data Processing Media and Records

The limit for this coverage is provided in the Businessowners PennPac endorsement unless a higher limit is selected and shown in the declarations.

2. Endorsements

Businessowners PennPac Endorsement 71 1026 provides the following coverage limits for risks of direct physical loss or damage for:

Electronic Data Processing Equipment	15,000
Electronic Media and Records	5,000

Businessowners PennPac Endorsement 71 1027 provides the following coverage limits for risks of direct physical loss or damage for:

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RULE 23. ENDORSEMENTS CONTINUED

Electronic Data Processing Equipment	20,000
Electronic Media and Records	5,000

3. Premium Determination
 - (1) Develop the additional premium for Computer Coverage by multiplying the Standard Form Business Personal Property company rate by 1.30. Multiply the result by the applicable computer coverage limit of insurance minus the limit provided in the applicable Pennpac or Pennpac Plus Endorsement (per \$100). The limit of insurance for Computer Coverage applies separately.
 - (2) Select the appropriate Special Form Premium increment for the Computer Coverage limit of insurance. Add the Special Form Increment Premium to the Computer Coverage premium developed in Paragraph (1).
Do not consider the value of electronic data processing equipment or media when determining the Business Personal Property Limit of Insurance for property other than electronic data processing equipment and media.

Rule 23.Q.5.a.(1) is replaced by the following:

Q. Ordinance or Law

5. Rate Modification

- a. Causes Of Loss Other Than Earthquake
 - (1) Coverage 1 – Coverage For Loss In Value Of The Undamaged Portion Of The Building.
Multiply the final Building Premium by 1.15. The result is the Building Premium including Coverage 1. Therefore the premium for Coverage 1 is Building Premium including Coverage 1 minus Final Building Premium.

Rule 23.S.4.a.(1) is replaced by the following:

S. Utility Service - Time Element

4. Rate Modification

- a. Rules
 - (1) The multistate loss costs apply to both public and other than public utilities.

Rule 23.T.1.c. is replaced by the following:

1. Barbers And Beauticians Professional Liability

c. Premium determination

The premium for attachment of this endorsement is the Loss Cost charge per licensed professional shown in **Table 23.T.1.c.**

Limit of Liability	Loss Cost per Licensed Professional	
	Full-Time	Part-Time (20 hrs. or less)
\$ 300,000	\$15.	\$7.
500,000	18.	9.
1,000,000	20.	10.

Table 23.T.1.c.

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RULE 23. ENDORSEMENTS CONTINUED

Rule 23.T. 2. is deleted

Rule 23.T.3.b. and c. are replaced by the following:

3. Optical and Hearing Aid Establishments

(b) Endorsements

Use Optician and Optometrist Professional Liability Endorsement 71-0139 for Opticians and Optometrists.

Use Hearing Aid Establishments Professional Liability Endorsement 71 0138 for Hearing Aid Sales and Service risks who employ certified/licensed hearing aid specialists.

(c) Premium Determination

Develop the premium for attachment of this endorsement by multiplying the appropriate Loss Cost charge from **Table 23.T.3.(c)** by the number of locations.

Limit of Liability	Loss Cost Premium (per Location)
\$300,000	\$80.
500,000	90.
1,000,000	115.

Table 23.T.3.(c)

Rule 23.T.4.c. is replaced by the following:

4. Printer's Errors and Omissions Liability

c. Premium Determination

Develop the premium for attachment of this endorsement by multiplying the applicable Loss Cost from **Table 23.T.4.c.**

Limit of Liability	Gross Sales From Printing Operations					
	\$0 to \$500,000	\$500,001 to \$1,000,000	\$1,000,001 to \$1,500,000	\$1,500,001 to \$2,000,000	\$2,000,001 to \$2,500,001	\$2,500,001 to \$5,000,000
\$ 300,000	\$25.	\$75.	\$124.	\$174.	\$223.	\$272.
500,000	27.	81.	135.	189.	243.	297.
1,000,000	32.	95.	158.	221.	284.	347.

Table 23.T.4.c.

Rule 23.T.5.e. is replaced by the following:

5. Veterinarians Professional Liability Coverage

e. Premium Determination

Develop the premium for attachment of this endorsement by multiplying the appropriate Loss Cost charge from **Table 23.T.5.e.** by the total number of veterinarians.

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RULE 23. ENDORSEMENTS CONTINUED

Limit of Liability	Loss Cost
\$300,000	\$ 45.
500,000	55.
1,000,000	60.

Table 23.T.5.e.

Rules 23.W. through 23.HH. are added as follows:

W. Condominium Association Directors and Officers Liability

1. Description of Coverage
This endorsement provides coverage for wrongful acts committed or alleged to have been committed by any directors and officers of the condominium association. The Directors and Officers limit of liability will be equal to the businessowners liability limit.
2. Endorsement
Use Condominium Association Directors and Officers Liability Endorsement 71 1221.
3. Premium Determination
Determine the appropriate loss cost from **Table 23.W.3.** for mercantile, office and residential condominiums based on the liability limit of the policy and number of condominium units.

LIMIT OF LIABILITY	NUMBER OF UNITS	OFFICE LOSS COST	RESIDENTIAL LOSS COST	MERCANTILE LOSS COST
300,000	1-25	\$104.	\$125.	\$104
	26-50	125.	146.	125
	>50	146.	167.	146
500,000	1-25	125.	146.	125
	26-50	146.	167.	146
	>50	167.	188.	167
1,000,000	1-25	146.	167.	146
	26-50	167.	188.	167
	>50	188.	208.	188

Table 23.W.3.

X. Employee Benefits Liability

1. Description of Coverage
This endorsement provides coverage for the employer for liability arising out of negligently giving advice to employees, officers, partners, beneficiaries or prospective employees concerning any employee benefit plans.
2. Endorsement
Use Employee Benefits Liability Endorsement 71-0619.
3. Premium Determination

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RULE 23. ENDORSEMENTS CONTINUED

To determine the Loss Cost Premium, multiply the appropriate Base Rate in **Table 23.X.3.(#1)** by the appropriate Increased Limit Factor in **Table 23.X.3.(#2)**. Multiply the result by the appropriate Deductible Factor in **Table 23.X.3.(#3)**.

No of Employees	Base Rate at \$25,000 Each Claim/\$75,000 Aggregate	Increased Limits Each Claim/Aggregate	Factor	Deductibles	Factor
1-50	\$75.	\$50,000/\$150,000	1.33	\$1,000	1.00
51-100	100.	\$100,000/\$300,000	1.62	2,500	.90
Over 100	150.	\$250,000/\$750,000	1.93	5,000	.80
		\$500,000/\$1,500,000	2.15		
		\$1,000,000/\$3,000,000	2.40		

Table 23.X.3.(#1)

Table 23.X.3.(#2)

Table 23.X.3.(#3)

Y. Mini-Warehouse Property of Others Legal Liability Endorsement

1. Description of Coverage

This endorsement provides coverage for customers' property, entrusted to the insured for storage or safekeeping and for Sale and Disposal Liability. The limits available are \$1,000, \$5,000, \$10,000 or \$25,000 per unit. Coverage is provided on a legal liability basis.

2. Endorsement

Use Mini-Warehouse Property of Others Legal Liability Endorsement 71 0134.

3. Premium Determination

Determine the appropriate Loss Cost from **Table 23.Y.3.** based on the Section II Limit of Liability and the desired Limit per Unit. Multiply the applicable Loss Cost by the total number of units per location. All units must carry the same limit. Subject to a \$50. minimum premium.

Limit of Liability	\$1,000. per Unit	\$5,000. per Unit	\$10,000. per Unit	\$25,000 per Unit
\$300,000	.50	.75	1.00	1.75
500,000	.60	.90	1.20	1.95
1,000,000	.75	1.00	1.30	2.05

Table 23.Y.3.

Z. Veterinarian's Animal Coverage

1. Description of Coverage

This endorsement covers domestic animals owned by the insured's clients and accepted by the insured for treatment or boarding.

2. Endorsement

Use Veterinarians Animal Coverage Endorsement 71 0142.

3. Premium Determination

The premium for the attachment of this endorsement is the Loss Cost charge shown in **Table 23.Z.3**

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RULE 23. ENDORSEMENTS CONTINUED

Limit Per Each Animal/ Occurrence	Number of Kennels										
	1-15	16-20	21-25	26-30	31-35	36-40	41-45	46-50	51-55	56-60	OVER 60
\$250/5,000	\$ 35.	\$ 45.	\$ 55.	\$ 65.	\$ 75.	\$ 85.	\$ 95.	\$105.	\$115.	\$125.	\$145.
500/10,000	70.	90.	110.	130.	150.	170.	190.	210.	230.	250.	290.
1,000/15,000	105.	135.	165.	195.	225.	255.	285.	315.	345.	375.	435.
1,500/20,000	140.	180.	220.	260.	300.	340.	380.	420.	460.	500.	580.
2,000/25,000	175.	225.	275.	325.	375.	425.	475.	525.	575.	625.	725.
2,500/35,000	210.	270.	330.	390.	450.	510.	570.	630.	690.	750.	870.
5,000/50,000	280.	315.	385.	455.	525.	595.	665.	735.	805.	875.	1,015.

Table 23.Z.3.

AA. Funeral Directors Legal Liability for Damage to Guest Autos

1. Description of Coverage
This endorsement provides coverage for damage to an automobile left in the insured funeral director's care while the insured is attending, parking or storing the automobile. The only limit available is \$25,000.
2. Endorsement
Use Funeral Directors Legal Liability for Damage to Guest Automobiles Endorsement 71-0131.
3. Premium determination
The premium for the attachment of this endorsement is a \$40 Loss Cost charge.

BB. Funeral Directors Amendatory Endorsement

1. Description of Coverage
This endorsement provides for temporary off-premises coverage of \$25,000 (including personal effects of a deceased human body). Coverage is provided for jewelry, watches, pearls, and semi-precious stones as personal effects of a deceased human body for a limit of \$10,000. Coverage is provided for the rendering or failure to render professional services relating to a funeral home and cemetery/crematory operations in association with the funeral home.
2. Endorsement
Use Funeral Directors Amendatory Endorsement 71 0132.
3. Premium Determination.
Multiply the Loss Costs charge shown in **Table 23.BB.3.** by the gross receipts (per \$1,000). Subject to a \$50. Minimum premium.

Limit of Liability	Without Crematories	With Crematories
\$300,000	\$.07	\$.11
500,000	.10	.17
1,000,000	.12	.20

Table 23.BB.3.

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RULE 23. ENDORSEMENTS CONTINUED

CC. Printers PennPac

1. Description of Coverage
This endorsement provides property coverages and limits for printing risks. These limits are in addition to the limits provided in the selected Businessowners Penn Pac Endorsement.
2. Endorsement
Use Printers Penn Pac Endorsement 71 0779
3. Premium determination.
The Loss Cost charge for this endorsement is \$125.

DD. Total Pollution Exclusion

1. Description of Coverage
This endorsement is available to be used when all pollution exposures are to be excluded.
2. Endorsement
Use Total Pollution Exclusion Endorsement 71 0466

EE. Hostile Fire

1. Description of Coverage
This endorsement is available to be used when Form 71 0466 Total Pollution Exclusion Endorsement is used and coverage for pollution from hostile fire is to be provided.
2. Endorsement
Use Hostile Fire Endorsement 71 0674.

FF. Tanning Booths or Suntanning Procedures Exclusion

1. Description of Coverage
Tanning Booths or Suntanning Procedures Exclusion.
2. Endorsements
Attach Form 71 0180, Tanning Booths or Suntanning Procedures Exclusion and Form 71 0331, Tanning Booths or Suntanning Procedures Exclusion (sticker) to all policies covering risks that provide tanning services or anticipate providing the service in the future.

GG. PennPac Plus Endorsement

1. Description of Coverage
This endorsement modifies the basic policy contract and any coverage forms attached to the basic policy contract by adding additional coverages, higher coverage limits, broader coverages, coverage limitations and exclusions. When attached, this endorsement replaces mandatory Businessowners Penn Pac Endorsement 71 1026.
2. Endorsement
Attach Businessowners PennPac Plus Endorsement 71 1027
3. Premium Determination
Use a Flat Charge of \$200 for attachment of this endorsement.

HH. Businessowners Non-Stacking of Limits Comprehensive Business Liability Exclusion Endorsement 71 0996.

1. Description of Coverage
This endorsement prevents the stacking or pyramiding of business liability limits when multiple policies are issued for one insured with multiple locations. This endorsement

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RULE 23. ENDORSEMENTS CONTINUED

should be used on multiple location policies if a separate Businessowners policy is issued for a location in a state where the Insurance Service Office (ISO) Businessowners Program has not yet been approved. This endorsement should be attached to both Businessowners policies in this example.

II. Employment-Related Practices Liability Endorsement 71 1325**1. Description of Coverage**

This endorsement provides coverage for entities with 50 employees or less for liability arising out of claims for a wrongful act to an employee because of an employment-related offense. The Schedule of the endorsement provides an entry for:

- (a) A limit of Insurance for damages and defense expenses;
- (b) A deductible amount. When deductible insurance is selected by the insured, the company's obligation to pay damages and defense expenses on behalf of the insured applies only to the amount of damages and defense expenses in excess of any deductible amount stated as applicable to such coverages. The deductible may be applied to the sum of both damages and defense expenses.
- (c) A retroactive date. If "none" is entered in the Schedule of the endorsement, there is no retroactive date. If there is no retroactive date, coverage may be afforded for wrongful acts occurring prior to the inception date of the policy.

2. Ineligible Risks

This endorsement is not available for Lawyers or Employment Agencies.

3. Endorsement

Use Employment-Related Practices Liability Endorsement 71 1325

4. Limits of Insurance

\$10,000 and \$25,000 Annual Aggregate Limits of Insurance are available.

Aggregate Limits of Insurance Factors

Aggregate Limit of Insurance	Factor
10,000	1.000
25,000	2.204

5. Deductibles

The \$500 base deductible may be increased. Optional deductibles of \$1,000, \$2,500 and \$5,000 are available.

Deductible Factors

Deductible	Credit Factor
\$500	1.00
\$1,000	.993
\$2,500	.975
\$5,000	.944

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RULE 23. ENDORSEMENTS CONTINUED

6. Extended Reporting Periods

An Extended Reporting Period Endorsement For Employment-Related Practices Liability (71 1328) is available for an additional premium charge. The claim must be for damages because of a wrongful act arising out of an employment-related practice and which commenced before the end of the policy period or termination date of the endorsement, but not before the applicable retroactive date.

The Named Insured must request this coverage in writing 60 days after the end of the policy period or termination date of the endorsement. The Extended Reporting Period starts with the end of the policy period or termination date of the endorsement and lasts for three years.

If the Extended Reporting Period is in effect, an extended reporting period limit of insurance will be provided, but only for claims first made during the Extended Reporting Period. The Extended Reporting Period Limit of Insurance will be equal to the dollar amount shown in the schedule of the Employment-Related Practices Liability Endorsement under the Employment-Related Practices Liability Annual Aggregate Limit Of Insurance in effect at the end of the policy.

7. Premium Determination

1. Determine the number of employees.
2. Determine if the risk is Mercantile, Wholesale or Other business.
3. Multiply the rate per employee from the State Exception Pages Table 23.II.7.LC. by the appropriate number of employees to determine the annual premium for the Employment-Related Practices Liability Endorsement.
4. For multi-state exposure and states with more than one location, use rates for the headquarter state, first location to determine annual premium.
5. If the Extended Reporting Period is purchased, the premium charge for the Extended Reporting Period will be 2.00 times the annual premium for the Employment-Related Practices Liability Endorsement.

JJ. Employment-Related Practices Liability Endorsement 71 1351

1. Description of Coverage

This endorsement provides coverage for entities for liability arising out of claims for a wrongful act to an employee because of an employment-related offense. The Schedule of the endorsement provides an entry for:

- a. A Limit of Insurance for damages and defense expenses;
- b. A deductible amount.
- c. A retroactive date. If “none” is entered in the Schedule of the endorsement, there is no retroactive date.

2. Full Time Equivalent Employees (FTE)

Full Time Equivalent Employees are calculated using formula: (Number of Full Time Employees X 1.00) + (Number of Part Time Employees X .75) + (Number of Temporary Workers X .75) + (Number of Leased Workers X .75) = Full Time Equivalent Employees.

COMMERCIAL LINES MANUAL
DIVISION NINE – MULTIPLE LINE BUSINESSOWNERS SUBDIVISION
EXCEPTION PAGE

RULE 23. ENDORSEMENTS CONTINUED

Full Time employees are defined as employees working more than 32 hours per week/1600 hours per year.

Part Time employees are defined as employees working less than 32 hours per week/1600 hours per year.

Round the number of Full Time Equivalent Employees to the closest whole dollar (for .50 and up, round up).

3. Limits of Insurance
\$100,000, \$250,000, \$500,000 or \$1,000,000 Annual Aggregate Limit of Insurance is available.
4. Deductibles
A \$2,500 deductible is available for the \$100,000 Limit only. Deductible options of \$5,000, \$10,000, \$15,000, \$20,000 and \$25,000 are available for all Limits of Insurance.
5. Premium Determination
 1. Determine the number of FTE employees as calculated in 2. above.
 2. Determine State Relativity Factor from Table 23.JJ.2. (For multi-state exposure risks, use headquarter state).
 3. Determine SIC Relativity Factor from Table 23.JJ.3.
 4. Determine the Increased Limits Factors/Deductible Combinations from Table 23.JJ.4.
 5. Rating Algorithm:
Multiply the final base rate per FTE employee from Table 23.JJ.5. by the appropriate number of FTE employees, times the State Relativity Factor, times the SIC Relativity Factor, times the Increased Limits Factors/Deductible Combinations to determine the annual premium for the Employment-Related Practices Liability Insurance Endorsement.
 6. Subject to minimum premium in Table 23.JJ.6.
6. Extended Reporting Periods
Extended Reporting Periods apply only to claims as the result of wrongful acts committed after the Retroactive Date and before the earlier of, the end of the policy period, or termination date of the endorsement.

A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the earlier of the end of the policy period, or termination date of the endorsement, and lasts for:

- (a) Five years with respect to claims arising out of wrongful acts which have been properly reported to us before the earlier of, the end of the policy period, or termination date of the endorsement; and
- (b) Sixty-days with respect to claims arising from wrongful acts not previously reported to us.

The Basic Extended Reporting Period does not reinstate or increase the Limit of Insurance.

A Supplemental Extended Reporting Period of twelve (12), twenty-four (24) or thirty-six (36) months duration is available for an additional premium charge by attaching

**COMMERCIAL LINES MANUAL
DIVISION NINE – MULTIPLE LINE BUSINESSOWNERS SUBDIVISION
EXCEPTION PAGE**

RULE 23. ENDORSEMENTS CONTINUED

Supplemental Extended Reporting Period Endorsement 71 1352. The supplemental period starts when the Basic Extended Reporting Period ends. The Named Insured must give us a written request for the endorsement, and its length, within 60 days after the end of the policy period or termination date of the endorsement, whichever is earlier.

If the Supplemental Extended Reporting Period is in effect, a Supplemental Extended Reporting Period Limit of Insurance will be provided, but only for claims first made during the Supplemental Extended Reporting Period. The Supplemental Extended Reporting Period Limit of Insurance will be equal to the dollar amount shown in the Schedule of the Employment-Related Practices Liability Endorsement under the Employment-Related Practices Liability Annual Aggregate Limit Of Insurance in effect at the end of the policy.

If the Supplemental Extended Reporting Period is purchased, the premium charge for the Supplemental Extended Reporting Period will not exceed 2.00 times the annual premium for the Employment-Related Practices Liability Endorsement. See Table 23.JJ.7. for Supplemental ERP Multipliers.

7. Optional Coverages

a. Premium Charge Not Applicable:

- (1) Exclusion – Class Action Suit(s) 71 1365
- (2) Exclusion – Reorganization, Downsizing and Plant Closings 71 1366
- (3) Exclusion – Specific Organizations 71 1367
- (4) Coverage For Injury Arising Out Of Failure To Grant Tenure 71 1369
- (5) Coverage For Failure To Grant Partnership 71 1370
- (6) Amendment: Duties In Event Of “Wrongful Acts” Or “Claims” 71 1371
- (7) Prior Acts Coverage Endorsement 71 1372

b. Premium Charge:

- (1) Coverage For Injury To Independent Contractors 71 1368.
To calculate the rate if Coverage For Injury To Independent Contractors 71 1368 is purchased, take the number of independent contractors times .50 and take the result and add it to the number of Full Time Equivalent Employees in 2. above.
- (2) Express Contract Of Employment Extension Endorsement 71 1387
\$10,000 Limit – Charge \$3 per Full Time Equivalent Employee, as determined in 2. above.
\$25,000 Limit - Charge \$5 per Full Time Equivalent Employee, as determined in 2. above.

STATE RELATIVITY FACTORS

FACTOR	STATE
0.83	SC
0.86	NC
0.89	AL, MD, PA, TN, VA
0.95	DE, NJ

Table 23.JJ.2.

PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY

COUNTRYWIDE

COMMERCIAL LINES MANUAL

DIVISION NINE – MULTIPLE LINE BUSINESSOWNERS SUBDIVISION

EXCEPTION PAGE

RULE 23. ENDORSEMENTS CONTINUED

SIC RELATIVITY FACTORS

2 digit SIC Code	Factor
00 - All Codes	1.00
01 - Agr. Production – Crops	1.00
02 - Agr. Production – Livestock	1.00
07 - Agr. Services	1.00
08 - Forestry	1.50
09 - Fishing, Hunting and Trapping	1.50
10 - Metal Mining	1.50
12 - Coal Mining	1.20
13 - Oil & Gas Extraction	1.30
14 - Nonmetallic minerals, except fuels	1.10
15 - Gen'l Building Contractors	0.90
16 - Heavy Construction, except bldg	1.00
17 - Special Trade Contractors	0.80
20 - Food & Kindred Prods	1.20
21 - Tobacco Prods	1.50
22 - Textile, Mills Products	0.90
23 - Apparel & other Textile Prods	0.75
24 - Lumber & Wood Prods	0.80
25 - Furniture & Fixtures	0.90
26 - Paper & Allied Products	1.10
27 - Printing & Publishing	0.90
28 - Chemicals & Allied Prods	1.30
29 - Petroleum & Coals Prods	1.50
30 - Rubber & Misc Plastic Prods	0.90
31 - Leather & Leather Prods	0.90
32 - Stone, Clay & Glass Prods	0.90
33 - Primary Metal Industries	1.30
34 - Fabricated Metal Prods	1.00
35 - Industrial Machinery & Equipment	1.00
36 - Electronic & other Elec Equipment	1.20
37 - Transportation Equipment	1.30
38 - Instruments & Related Prods.	1.00
39 - Misc. Manufacturing Industries	1.10
41 - Local & Interurban Pass. Trans	1.10
42 - Trucking & Warehousing	0.90
44 - Water Transportation	1.20
45 - Transportation by Air	1.20
46 - Pipelines, except Natural Gas	1.50
47 - Transportation Services	1.30
48 - Communications	1.30
49 - Electric, Gas & Sanitary Serv.	1.40
50 - Wholesale Trade – Durable Goods	0.75
51 - Wholesale Trade – Nondurable Gds	0.80
52 - Bldg Materials & Garden Supplies	0.90
53 – General Merchandise Stores	0.80
54 – Food Stores	0.75
55 – Auto Dealers & Service Stations	1.00

PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY

COUNTRYWIDE

COMMERCIAL LINES MANUAL

DIVISION NINE – MULTIPLE LINE BUSINESSOWNERS SUBDIVISION

EXCEPTION PAGE

56 – Apparel & Accessory Stores	0.75
57 – Furn & Home Furnishings Stores	0.75
58 – Eating & Drinking Places	0.75
59 – Miscellaneous Retail	0.75
60 – Depository Institutions	1.00
61 – Nondepository Institutions	1.20
62 – Security & Commodity Brokers	1.30
63 – Insurance Carriers	1.20
64 – Ins Agents, Brokers, & Service	0.80
65 – Real Estate	0.80
67 – Holding & Other Invest Offices	1.10
70 – Hotels & Other Lodging Places	1.00
72 – Personal Services	0.75
73 – Business Services	0.90
75 – Auto Repair, Services & Parking	0.80
76 – Miscellaneous Repair Services	0.80
78 – Motion Pictures	0.75
79 – Amusement & Recreation Services	0.75
80 – Health Services	1.10
81 – Legal Services	1.00
82 – Educational Services	1.30
83 – Social Services	0.75
84 – Museums, Botncl, Zoogcl Gardens	1.20
86 – Membership Organizations	0.80
87 – Engineering & Mngmnt Services	0.75
89 – Services, NEC	1.00
91 – Executive, Legislative & Genl Gov't	1.00
92 – Justice, Public Order & Safety	1.00
93 – Finance, Tax & monetary Policy	1.00
94 – Admin of Human Resources	1.00
95 – Envir Quality & Housing	1.00
96 – Admin of Economic Programs	1.00
97 – National Security & Int'l Affairs	1.00

Table 23.JJ.3.

INCREASED LIMITS FACTORS/DEDUCTIBLE COMBINATIONS

LIMIT	\$2,500 DED	\$5,000 DED	\$10,000 DED	\$15,000 DED	\$20,000 DED	\$25,000 DED
\$100,000	1.061	1.000	0.904	0.832	0.762	0.693
\$250,000	N/A	1.548	1.439	1.358	1.278	1.195
\$500,000	N/A	2.064	1.949	1.864	1.778	1.693
\$1,000,000	N/A	2.674	2.556	2.468	2.377	2.289

Table 23.JJ.4.

PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY

COUNTRYWIDE

**COMMERCIAL LINES MANUAL
DIVISION NINE – MULTIPLE LINE BUSINESSOWNERS SUBDIVISION
EXCEPTION PAGE**

RULE 23. ENDORSEMENTS CONTINUED

FINAL BASE RATE

NUMBER OF EMPLOYEES	RATE
First 25	\$56
26-50	\$52
51-100	\$47
101-250	\$45

Table23.JJ.5.

EPLI MINIMUM PREMIUM

LIMIT	ALL STATES
\$100,000	\$400
\$250,000	\$500
\$500,000	\$750
\$1,000,000	\$1,000

Table 23.JJ.6.

SUPPLEMENTAL ERP MULTIPLIERS

Years in Program	12 Months	24 Months	36 Months
1	.90	1.35	1.50
2	1.35	1.83	2.00
3+	1.55	1.89	2.00

Table 23.JJ.7.

COMMERCIAL LINES MANUAL
DIVISION NINE - MULTIPLE LINE BUSINESSOWNERS SUBDIVISION
EXCEPTION PAGE

RULE 23 ENDORSEMENTS

Paragraph II. Employment – Related Practices Liability Endorsement 71 1325 is deleted.

Paragraph JJ. Employment – Related Practices Liability Endorsement 71 1351 is deleted.

SERFF Tracking Number: PPMC-125790812 State: Arkansas
Filing Company: Pennsylvania National Mutual Casualty Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: KAY-08-059
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners Liability
Product Name: BOP - Class Table Addns and Exception Page Revs
Project Name/Number: Class Table Additions and Exception Page Revisions 101508/KAY-08-059

Supporting Document Schedules

Satisfied -Name: Form RF-1, Exhibits C.1, Ca, Cb
Review Status: Accepted for Informational Purposes 09/18/2008
Comments:
Attachment:
AR RF-1 and supporting documentation.pdf

Satisfied -Name: Filing Letter, easier to read
Review Status: Accepted for Informational Purposes 09/18/2008
Comments:
Attachment:
ARClassTableAddnsandExcpPgs101508.pdf

FORM RF-1 Rate Filing Abstract NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #		1549-08-059								
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/Item Filing Number										
3.	<table border="1"> <tr> <td colspan="2">Company Name</td> <td colspan="2">Company NAIC Number</td> </tr> <tr> <td>A.</td> <td>Pennsylvania National Mutual Casualty Insurance Company</td> <td>B.</td> <td>14990</td> </tr> </table>		Company Name		Company NAIC Number		A.	Pennsylvania National Mutual Casualty Insurance Company	B.	14990	
Company Name		Company NAIC Number									
A.	Pennsylvania National Mutual Casualty Insurance Company	B.	14990								
4.	<table border="1"> <tr> <td colspan="2">Product Coding Matrix Line of Business (i.e., Type of Insurance)</td> <td colspan="2">Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)</td> </tr> <tr> <td>A.</td> <td>Businessowners Program</td> <td>B.</td> <td>Businessowners Program</td> </tr> </table>		Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)		A.	Businessowners Program	B.	Businessowners Program	
Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)									
A.	Businessowners Program	B.	Businessowners Program								

								FOR LOSS COSTS ONLY
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
COVERAGE (See Instructions)	Indicated % Rate Level Change	Requested % Rate Level Change	Expected Loss Ratio	Loss Cost Modification Factor	Selected Loss Cost Multiplier	Expense Constant (If Applicable)	Co. Current Loss Cost Multiplier	
TOTAL OVERALL EFFECT								

6. 5 Year History							Rate Change History		
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio		
2005	1	0.0%	1/1/2005	1	0	0.0%	50.4%		

Expense Constants		Selected Provisions
A. Total Production Expense		31.5%
B. General Expense		2.4%
C. Taxes, License & Fees		3.5%
D. Underwriting Profit & Contingencies		8.0%
E. Other (explain)		0.0%
F. TOTAL		45.4%

8.	N	Apply Loss Cost Factors to Future Filings? (Y or N)
9.	0.0%	Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable):
10.	0.0%	Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable):

PENNSYLVANIA NAT'L MUTUAL INS. CO.

Exhibit C.1

State: Countrywide
Line of Business: Businessowners Program

Source: IEE

	<u>2005</u> <u>X1000</u>	<u>%</u>	<u>2006</u> <u>X1000</u>	<u>%</u>	<u>2007</u> <u>X1000</u>	<u>%</u>	<u>3-Year</u> <u>Total</u>	<u>%</u>	<u>Selected</u> <u>Provisions</u>
Written Prem.	26,716		29,620		31,052		87,388		
Earned Prem.	25,579		27,855		30,312		83,746		
Commission	5,549	20.8%	6,205	20.9%	6,417	20.7%	18,171	20.8%	20.8%
Other Aquisition	2,676	10.5%	2,989	10.7%	3,261	10.8%	8,926	10.7%	10.7%
General	572	2.2%	674	2.4%	791	2.6%	2,037	2.4%	2.4%
Taxes, Licenses & Fees	1,032	3.9%	967	3.3%	1,055	3.4%	3,054	3.5%	3.5%
Underwriting Profit & Contingencies *									8.0%
Total Expenses									45.4%

*See Exhibit 2

Countrywide

Incurred Loss	15,415	70.9%	13,931	62.1%	12,867	52.2%	42,213	50.4%	50.4%
Allocated LAE	1,381	9.0%	1,972	14.2%	1,509	11.7%	4,862	11.5%	11.5%
Unallocated LAE	1327	8.6%	1,404	10.1%	1,437	11.2%	4,168	9.9%	9.9%

PENNSYLVANIA NAT'L MUTUAL INS. CO.
State: Arkansas
Line of Business: Businessowners Program

Source: IEE

	<u>2005</u> <u>X1000</u>	<u>%</u>	<u>2006</u> <u>X1000</u>	<u>%</u>	<u>2007</u> <u>X1000</u>	<u>%</u>	<u>3-Year</u> <u>Total</u>	<u>%</u>	<u>Selected</u> <u>Provisions</u>
Written Prem.	1		0		0		1		
Earned Prem.	1		0		0		1		
Commission	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Other Aquisition	0	10.5%	0	10.7%	0	10.8%	0	10.5%	10.5%
General	0	2.2%	0	2.4%	0	2.6%	0	2.2%	2.2%
Taxes, Licenses & Fees	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Incurred Loss	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Allocated LAE	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%

BUSINESSOWNERS PROGRAM
Permissible Loss Ratio*

Underwriting Expense Provisions

	CW
Commission	20.8%
Other Acquisition	10.7%
General	2.4%
Premium Taxes	3.5%
Other Taxes	0.0%
Write-Offs	0.0%
Residual Market	0.0%
Dividends	0.0%
Reinsurance Expense	<u>0.0%</u>
Total Premium Related Expenses	37.4%

Target Combined Ratio	92.0%
Minimum U/W gain needed to achieve target ROS	8.0%
Target Loss & LAE Ratio	54.6%

**Target Operating Ratio Exhibit
BUSINESSOWNERS PROGRAM**

	CW
(1) Written Premium (CW)	16,667
(2) Unearned Prem. Reserve (CW)	8,334
(3) Prepaid Expenses	2,571
(4) Outstanding agent's balances	6,280
(5) Loss Reserves/Incurred	0.904
(6) Reserves/Premium	0.462
(7) Reserves/Surplus	0.463
(8) P/S allocated to this line	1.000
(9) Investment Rate of Return	3.9
(10) Tax Rate on investment	15.3%
(11) Tax Rate on u/w profit	34.0%
(12) Target Returned on Surplus (%)	10.2
(13) % Investment Return	(a) Pre Tax
(as % of surplus)	5.738
	(b) After Tax
	4.860
(14) % Excess above target ROS	-5.290
(15) Excess as % of premium	-5.289
(16) Minimum U/W gain needed to achieve target ROS	8.0%
(17) Target Operating Ratio	92.0%

September 15, 2008

Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904

Re: Pennsylvania National Mutual Casualty Insurance Company
NAIC No. 14990 FEIN 23-096-1349 Group Code 271

Businessowners

- **Additional Classes added to the Class Table**
- **Countrywide Exception Pages Revised**

PNI File No: KAY-08-059

Ladies and Gentlemen:

PURPOSE:

We are filing for your review and approval a revision of our proprietary Class Table to add eleven new classes. The 2nd Edition 08/05 is replaced by the 3rd Edition 10/08. These new classes are being added:

PNI Class Description	PNI Class Code	PNI Risk Type	PNI Rate Number	PNI Rate Group
Bottled Water Distributors	54446d	Wholesale	6	1
Bottled Water Stores	54446c	Retail/Mercantile	6	1
Clothing or Wearing Apparel Stores – Sports Teams	56319c	Retail/Mercantile	3	5
Clothing or Wearing Apparel Stores – Ties	56113a	Retail/Mercantile	3	6
Clothing or Wearing Apparel Stores – T Shirts	56319d	Retail/Mercantile	3	5
Clothing or Wearing Apparel Stores – Uniforms	56319e	Retail/Mercantile	3	5
Condominiums – Mercantile – Association Risk Only	00859	Retail/Mercantile	3	3
Golf Equipment Distributors	00869	Wholesale	5	9
Party Supply Stores	59435c	Retail/Mercantile	2	4
Sunglass Boutiques	00861	Retail/Mercantile	4	2
Tennis Equipment Distributors	00867	Wholesale	5	9

We are also filing changes to our proprietary Businessowners Exception Pages. PN-CW-BP-E-1 through E-30, 9th Edition 10/08 is replaced by the 10th Edition 10/08. The Changes are:

Page 4 – Under T. Tobacco Exclusion, we added Bottled Water Distributors 54446d and Bottled Water Stores 54446c to the table.

Page 7 – Under Rule A.2. Mercantile, We re-lettered *WHOLESALE* as c. in lieu of b. We added b. *MERCANTILE CONDOMINIUM – ASSOCIATION RISK ONLY*.

Pages 10 & 11 – We amended paragraph C.5.c. to include verbiage: For Condominium Mercantile – Association Risk Only, use Rate Numbers 1-13 (Lessor).

Page 11 – We added -

Paragraph C.6.a.(2) is replaced by the following:

5. Premium Determination

(2) Apartments and Apartment Condominium Associations

The Building state company rates/ISO loss costs are used for both the Building and Business Personal Property Coverages

Page 20 –Under - W. *Condominium Association Directors and Officers Liability*, we added the word *mercantile* to:

3. Premium Determination

Determine the appropriate loss cost from **Table 23.W.3.** for mercantile, office and residential condominiums based on the liability limit of the policy and number of condominium units.

Page 20 – We added Mercantile Loss Costs to Table 23.W.3.

EDITORIAL CHANGES

Page 24 – Under II. Employment-Related Practices Liability Endorsement 71 1325 – Replaced the word *injury* with *wrongful act* in Paragraph 1.(c)

Page 26 – Under 3. Limits of Insurance – Replaced the word *and* with *or* between \$500,000 or \$1,000,000

Page 26 – Added: *in 2. Above* to the end of the sentence under JJ. 5. 1.

Page 27 – Capitalized *Supplemental Extended Reporting Period Limit of Insurance* in 2nd paragraph.

Page 27 - Under 7.b.(1) deleted: *in Rule 23.JJ.2. Full Time equivalent Employees*, and replaced with *in 2. Above* at the end of the sentence.

Lastly, we are filing a proprietary Arkansas Exception Page, PN-AR-BP-E-1, 1st Ed Rev 10/08.

These changes will be applicable to all new business and renewal policies effective October 15, 2008.

PROPOSAL:

Your prompt and favorable approval is appreciated.

Obsolete Pages:

PN-AR-BP-CT-1 through CT-8, 1st Ed 10/06

PN-CW-BP-E-1 through E-23, 6th Ed 05/07

Respectfully,

Karen Young

Karen Young

Sr. Commercial Underwriting Technician

Internal Operations

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